



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

TELECOMMUNICATIONS

IN THE MATTER OF VERIFIED PETITION OF)
CTC COMMUNICATIONS CORP. LIGHTSHIP)
TELECOM, LLC AND CONVERSENT)
COMMUNICATIONS OF NEW JERSEY, LLC)
FOR AUTHORITY TO PROVIDE SECURITY IN)
CONNECTION WITH FINANCING)

ORDER OF APPROVAL

DOCKET NO. TF08080586

(SERVICE LIST ATTACHED)

BY THE BOARD:

On August 13, 2008, CTC Communications Corp., Lightship Telecom, LLC and Conversent Communications of New Jersey, LLC (collectively, the "Petitioners") filed a petition with the Board of Public Utilities ("Board") requesting approval to participate in certain debt and debt-related financings. Under those arrangements, Petitioners will provide their guarantee, serve as co-borrowers, or otherwise provide security in connection with various financings of up to \$2.0 billion being arranged for their parent company, One Communications Corp. ("One Communications") and other affiliates (collectively, the "Borrowers").

BACKGROUND

Petitioners are wholly-owned subsidiaries of One Communications, a Delaware corporation. The principal business office of One Communications and Petitioners is 220 Bear Hill Road, Waltham, Massachusetts 02451. Through its subsidiaries, One Communications provide communications services primarily to small, medium and large size businesses predominantly in the Northeast, Mid-Atlantic, and Midwest regions. Its service offerings include local, long distance, and toll free telephony services; post-paid calling card services; conference calling; frame relay, private line, DSL, VPN, and ATM services; web hosting; Internet access, webmail, and converged services. To provide its services, One Communications controls a broadband, IP-based network consisting of Cisco network infrastructure and a redundant fiber optic backbone with approximately 10,000 miles of fiber. The network also includes the use of packet switching technology as well as more traditional circuit switches. In addition, One Communications subsidiaries provide service by reselling the local and interexchange telephony services of other telecommunications carriers.

According to the petition, the Borrowers will be obtaining up to \$2.0 billion through one or more financing arrangements with banks, other financial institutions and/or other types of investors (the "Financings"). The Financings are expected to include both term and revolving notes, with a range of maturities. Some of the Financing may be unsecured, but it is anticipated that most will need to be secured with security interests in the assets of the Petitioners and other affiliated companies. Due to current conditions in the credit markets, Petitioners assert that they require flexibility to be able to respond quickly when potentially favorable terms and conditions are offered by lenders. Proceeds could be used to repay existing indebtedness, provide additional working capital, enable the acquisition of other companies or telecommunications assets, and meet other general business purposes.

Petitioners state that approval of the proposed financing arrangements will serve the public interest by enhancing the ability of Petitioners to grow and compete in the highly competitive markets for telecommunications services in New Jersey and nationwide. Approval of the financing transaction described herein is not expected directly to affect in any way the rates or services of Petitioners or their affiliates, or result in any change in control of petitioners or their affiliates. The financing arrangement will provide Petitioners with the financial resources needed to further grow and expand their business and to compete in today's highly competitive telecommunications environment.

The Division of Rate Counsel has reviewed this matter and, by letter dated October 22, 2008, recommended that the Board approve this Petition.

FINDINGS AND CONCLUSIONS

After a thorough review of the petition and all related documents, and the recommendation of Board staff, the Board FINDS that the purposes of this financing are necessary, reasonable and proper; that the proposed borrowing is in accordance with law and is in the public interest; and that the purposes thereof should be approved.

The Board, after being satisfied with the actions as proposed by Petitioners as indicated above, and approving the purposes thereof, HEREBY ORDERS that Petitioners be and are HEREBY AUTHORIZED to participate in the financing transaction as hereinabove described.

This Order is subject to the following provisions:

1. This Board's approval is expressly limited to the financing described herein and as more fully described in the Petition and supporting documents.
2. This Order shall not affect or in any way limit the exercise of the authority of the Board or the State of New Jersey in any future petition or in any proceeding regarding rates, costs of service, franchises, service, financing, accounting, capitalization, depreciation or any other matters affecting Petitioners.
3. Petitioners shall notify the Board, within five (5) business days, of any material changes in the Financings and shall provide complete details of such transactions including any anticipated effects upon service in New Jersey.
4. Petitioners shall notify the Board of any material default on the terms of the Financings within five (5) business days of such occurrence.

5. Notwithstanding anything to the contrary in the documents executed pursuant to the financing transactions or other supporting documents, a default or assignment under such agreement shall not constitute automatic transfer of Petitioners' assets. Board approval must be sought pursuant to N.J.S.A. 48:1-1 et seq. where applicable.
6. This order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of tangible or intangible assets now owned or hereafter to be owned by the Petitioners.

DATED: 11/7/08

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M FOX
PRESIDENT


FREDRICK F. BUTLER
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

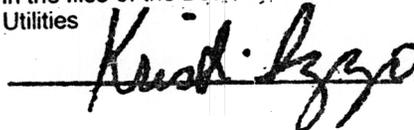

NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



**In the Matter of the Petition CTC Communications Corp. and Lightship Telecom, LLC For
Authority to Participate in Internal Reorganization and Provide Their Security in
Connection with New Financing**

Docket No. TF05090811

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